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CENTRAL INTELLIGENCE AGENCY

14 June 1961

MEMORANDUM FOR: Mr. Allan Evans, State (INR)
Colonel B. R. Brown, USA (ACSI)
Captain H. W. McElwain, USN (ONI)
Colonel F. J. Cole, USAF (AFCIN 2B3)
Colonel K. T. Gould, USA (J-2, The Joint Staff)
[redacted] Director of
Operational Services, NSA
Mr. Randolph V. Zander, Defense (OSO)

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SUBJECT: NIE 14.2/42-61: OUTLOOK FOR KOREA

1. The attached draft terms of reference are forwarded for review.

2. It is requested that your representative meet with us at 1000, Wednesday, 21 June in Room 115 Administration Building to discuss these terms.

Willard C. Matthias/jes
WILLARD C. MATTHIAS
Acting Deputy Assistant Director
National Estimates

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CENTRAL INTELLIGENCE AGENCY

14 June 1961

SUBJECT: TERMS OF REFERENCE: NIE 14.2/42-61: THE OUTLOOK
FOR KOREA

THE PROBLEM

To estimate the major trends and prospects in North and South Korea over the next year or so, with particular attention to the impact of North Korea on the Republic of Korea.

SCOPE

The principal purpose of this estimate is to examine the outlook for the security, stability, orientation, and world position of the Republic of Korea (ROK), in order to ascertain the dimensions of the Korean problem for US and Free World security interests. In so doing, special note should be taken

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of North Korean (Bloc) intentions towards the ROK, major developments in North Korea, and the probable effect of those developments on the ROK. The estimate should also discuss the Korean problem as an international question, examining the attitudes of the principally concerned states toward North Korea and the ROK.

QUESTIONS BEARING ON THE PROBLEM

I. THE NATURE AND MAGNITUDE OF THE NORTH KOREAN THREAT TO THE ROK

A. North Korea's Position and Role in the Bloc

1. Soviet and Chinese Communist influence and responsibility in the domestic and external policies of North Korea.
2. North Korean (Bloc) objectives and intentions with respect to the ROK.

B. The North Korean Impact on the ROK

1. The subversive threat.

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- a. Pattern of efforts, and degree of success.
 - b. ROK capabilities to counter.
2. The military threat. Comparative ROK-North Korean military strength, effectiveness, outside aid, and capabilities.
3. The economic problem.
- a. Nature and rate of North Korean economic development.
 - b. Degree and manner in which this is a source of attraction to South Koreans.
4. The unification issue.
- a. North Korean treatment of unification.
 - b. Extent and intensity of unification sentiment in the ROK. Degree to which this constitutes an exploitable opportunity for the Bloc.
- C. North Korea's Threat to the ROK's UN and World Position
1. Present trends in the attitudes of principally concerned states towards the ROK and North Korea.

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2. Present trends in the UN with respect to the comparative world positions of the ROK and North Korea.

II. PROBLEMS AND PROSPECTS FOR THE ROK

A. Political Stability

1. Factionalism within the ruling military group.
2. Military-civilian division of responsibility in administering government.
3. Relations between the ruling group and the politically conscious public.

B. Economic Development

1. Government planning and economic skill.
2. Anti-corruption measures and public responses thereto.
3. Economic effects of maintaining the ROK military establishment.

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4. Degree to which attitudes towards Japan and the US will abet or harm economic conditions and economic growth.
5. Degree to which attitudes towards North Korea economic development will affect the ROK.

C. ROK Military Structure and Combat Effectiveness

D. ROK Orientation.

1. ROK susceptibility to Communism.
2. ROK susceptibility to North Korean unification schemes.

E. ROK Foreign Relations

1. Relations with Japan.
2. Problems in US-ROK relations.
3. UN and world positions of the ROK.

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